

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6084

BILL NUMBER: HB 1037

DATE PREPARED: Nov 15, 2000

BILL AMENDED:

SUBJECT: Right to rescind purchase of used car.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: This bill entitles the buyer of a used motor vehicle from a dealer to rescind the purchase of the vehicle if the vehicle is subject to a nonconformity (a defect that substantially impairs the use, market value, or safety of the vehicle) and the buyer returns the vehicle to the dealer's place of business before the end of the fifth business day following the purchase, notifies the dealer of the existence of the nonconformity, and informs the dealer of the buyer's desire to rescind the purchase. The bill also provides that a buyer may rescind the purchase of a used motor vehicle that is subject to a nonconformity even though the dealer, before selling the used motor vehicle, indicated in writing that the vehicle was being sold "as is" or "with all faults". The bill requires the dealer to make a refund to a buyer who rescinds the purchase of a used motor vehicle. It also authorizes a buyer who rescinds the purchase of a used motor vehicle to bring a civil action to enforce the rescission and obtain a refund.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: